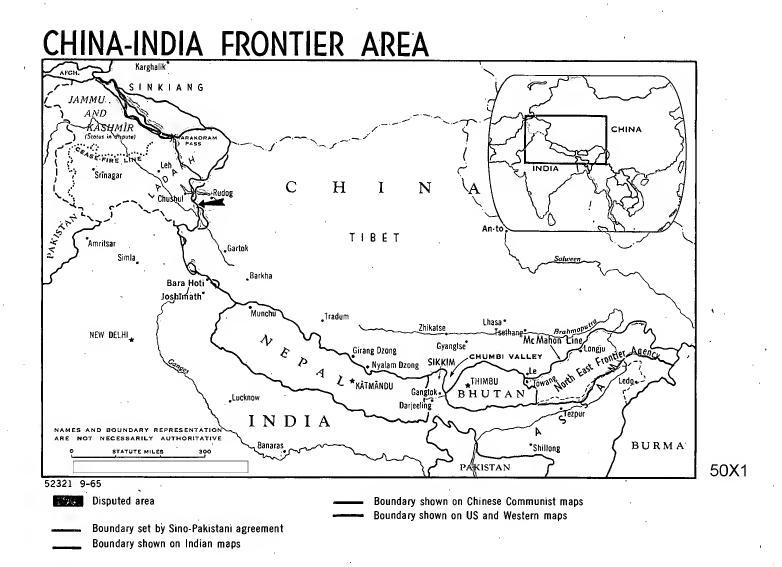


CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF

8 SEPTEMBER 1965

TOP SECRET



DAILY BRIEF 18 SEPTEMBER 1965

1. Communist China

With another day to go before the expiration of Peking's ultimatum, the Chinese are stepping up their war of nerves against India.

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The Indian De-

fense Ministry has announced that Chinese troops had moved into an area of western Tibet near the border, but a Ministry spokesman denied that the ill-

defined frontier had been violated.

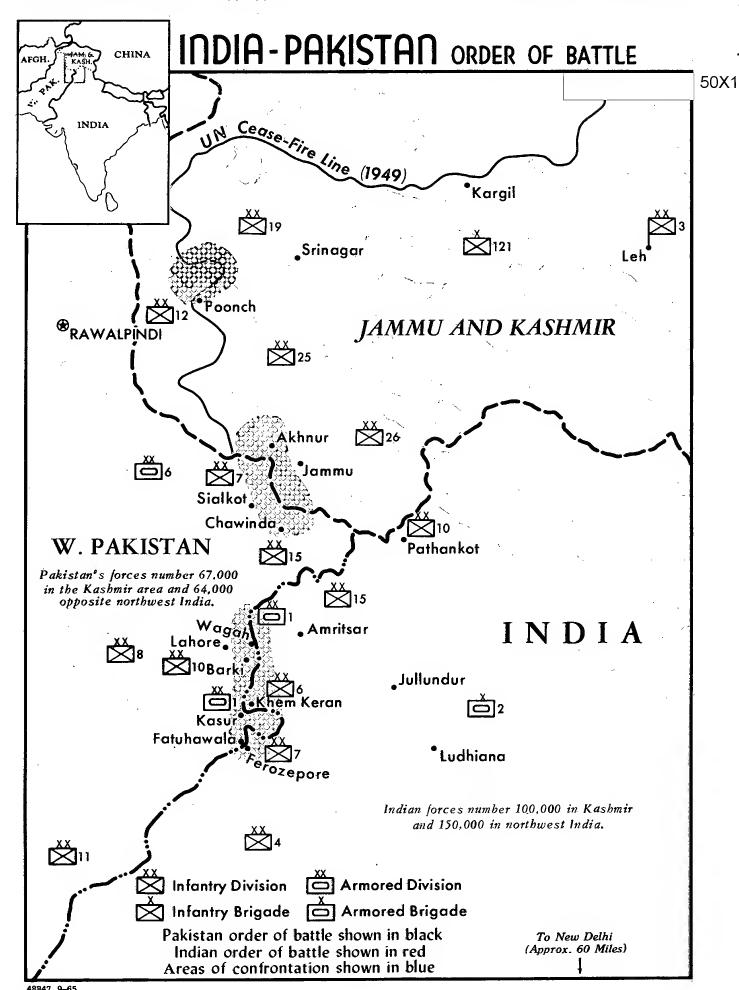
New Delhi also announced today
that Chinese troops had moved to no-

that Chinese troops had moved to positions near the Sikkim frontier.

Peking's follow-up to the 16 September ultimatum seems designed to magnify its shock effect. The note was given front page treatment in the Chinese press. No new threats have been issued, however, nor has Peking elaborated on its original statement. No evidence of major Chinese military activity or movement toward the border areas has been noted in communications intelligence.

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2. India-Pakistan

Indian forces have apparently made some more small gains in the Sialkot area, but the Indian strategy still seems to be more to wear down and cripple Pakistani forces than to occupy territory.

New Delhi has protested London's imposition of an embargo on weapons to the sub-continent. The publicity being given in India to the British decision—which also affects Pakistan—is particularly ill-timed inasmuch as the public will contrast it with yesterday's assurances that the Soviet Union will continue to supply arms to India.

In a long conversation with Ambassa-dor McConaughy, Pakistani Foreign Minister Bhutto again asked for direct US involvement in an effort to end the conflict. He claimed that Pakistan wants a ceasefire over the Kashmir issue "for all time"--not a ceasefire "for the moment."

3. South Vietnam

The US and South Vietnamese troops in the An Khe area of central South Vietnam have met heavy opposition. At least one Viet Cong battalion is believed to be in the vicinity. At last report, US casualties were 25 killed and 37 wounded. Poor weather is hampering air support but reinforcements are being sent in.

4. France

De Gaulle evidently is ready to take another major step toward the elimination of the US military presence in France and the dismantlement of the North Atlantic Treaty Organization.

A sensitive high-level source in the French Foreign Ministry revealed to a US Embassy officer yesterday that De Gaulle wants to accomplish this before the end of 1966. He plans to initiate bilateral discussions with the US early next January.

The source said that any revival of the multilateral nuclear force concept would result in an active Franco-Soviet campaign against it. 5. Portugal-Mozambique The rebel guerrilla movement in northern Mozambique is growing stronger.

Portuguese military authorities admit that their forces are suffering mounting casualties inflicted by modern weapons, including small land mines of Chinese origin. These presumably reach them through Tanzania.

The most serious recent blow to the Portuguese was the defection to the rebels of a tribe whose territory straddles the border with Tanzania. The Portuguese fear that if the rebels are able to consolidate their hold on this territory, they may set up a provisional government. They would then be in a position to obtain even greater military and political support from neighboring African states.

6. Greece

Security officials in Athens are compiling lists of leftist sympathizers in order to be able to arrest key Communists on short order in the event of a "difficult situation." They are obviously preparing for the possibility that Stephanopoulos will fail to win next week's vote of confidence, aware that the King may react by imposing an extraparliamentary solution.

Latest reports still indicate that the voting will be very close. Stephanopoulos may now be only one vote short of the required 151.

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